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 INTERSTATE COMMERCE COMMISSION
 LOUISVILLE & NASHVILLE RAILROAD COMPANY

 40232
 908 W. BROADWAY • LOUISVILLE, KENTUCKY 40203 TELEPHONE (502) 587-5235

LAW DEPARTMENT

January 5, 1981

 DAVID M. YEARWOOD
 GENERAL ATTORNEY

Ms. Agatha Mergenovich
 Secretary
 Interstate Commerce Commission
 Washington, D. C. 20423

No. 0-351A040

Date JAN 6 1981

Fee \$ 50.00

ICC Washington, D. C.

Dear Madam Secretary:

There is transmitted to you herewith for filing and recordation, pursuant to 49 U.S.C. Section 11303, five duly executed counterparts of a Lease Agreement dated as of December 30, 1980, between Pullman Incorporated (Pullman-Standard Division) whose address is 200 South Michigan Avenue, Chicago, Illinois 60604, and Louisville and Nashville Railroad Company, as Lessee, whose address is 908 West Broadway, P. O. Box 32290, Louisville, Kentucky 40232.

The equipment covered by this Agreement is:

375 100-ton 4,750 cu. ft. covered
 hopper cars, bearing Louisville and
 Nashville Railroad Company's road
 numbers 242325 to 242699, inclusive.

By this Agreement, Pullman Incorporated (Pullman-Standard Division) agreed to lease the equipment to the Louisville and Nashville Railroad Company until February 15, 1981, pending completion of financial arrangements covering such equipment.

There has been no prior recordation of any document relating to this transaction.

Attached hereto is a draft in the amount of \$50 payable to the Interstate Commerce Commission to cover the recordation fee for said Agreement.

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 EX-11 FILES
 BRANCH

Counterpart - L&N

Ms. Agatha Mergenovich

-2-

January 5, 1981

This letter of transmittal is signed by an officer of Louisville and Nashville Railroad Company designated for the purpose hereof who has knowledge of the matters set forth herein.

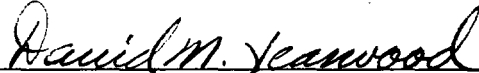
After recordation, please return the recorded counterparts of said Agreement to:

Mr. David M. Yearwood
General Attorney
Louisville and Nashville Railroad Company
908 West Broadway
P. O. Box 32290
Louisville, Kentucky 40232

Respectfully yours,

Louisville and Nashville Railroad Company

By



David M. Yearwood
General Attorney

Attachments

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

David M. Yearwood
Louisville & Nashville RR Co.
P. O. Box 32290
908 West Broadway
Louisville, Kentucky 40232

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/6/81 at 9:40AM, and assigned re-recording number(s). 12711

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

12711
RECORDATION NO. Filed 1425

JAN - 6 1981 - 9 40 AM

INDIAN STATE COMMERCE COMMISSION

LEASE AGREEMENT

THIS AGREEMENT made this 30th day of December, 1980 by and between PULLMAN INCORPORATED (Pullman Standard Division), (hereinafter called the "Manufacturer"), and LOUISVILLE AND NASHVILLE RAILROAD COMPANY, (hereinafter called the "Railroad")

WITNESSETH:

The Manufacturer and the Railroad heretofore entered into a Purchase Agreement consisting of the Railroad's Order dated October 8, 1979, together with Manufacturer's letter dated November 21, 1979 (Manufacturer's Lot 1110-B) whereunder the Manufacturer agreed to construct and deliver to the Railroad and the Railroad agreed to accept and pay for the following railroad equipment, (hereinafter called the "Cars"):

375 - 100-Ton 4750 cfc
Covered Hopper Cars
numbered 242325-242699 inclusive

Purchase Agreement is by reference made a part of this Agreement as fully as though expressly set forth herein.

Delivery of the Cars is tentatively scheduled to begin on or about January 8, 1981. However, inasmuch as the Railroad has not as yet consummated financing arrangements, it is not in position to accept delivery of and pay for the Cars under the terms of the Purchase Agreement at this time. The Railroad represents that such financing arrangements will be consummated, however, on or before February 15, 1981.

The Railroad (in order that it may use the Cars pending completion of the above financing arrangements) has arranged with the Manufacturer to give it temporary custody and possession of the Cars upon their completion, solely as a lessee of such Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

In consideration of the premises, the Manufacturer hereby leases said Cars to the Railroad for the sum of \$1.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, and the Railroad hereby hires from the Manufacturer the Cars and each of them as of the date each of them is delivered to the Railroad, for the period ending no later than February 15, 1981, said date being the "Termination Date".

After the Railroad's representative finds that each Car upon completion has been built in accordance with the requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer at its plant a certificate of inspection certifying to that effect. Upon delivery of each Car to the delivery point, the Railroad's representative will execute a certificate of acceptance acknowledging the receipt of delivery of each Car under this Agreement. Title to the Cars shall remain in the Manufacturer and the Railroad's right and interest therein is and shall be solely that of possession, custody and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. The Railroad, without expense to the Manufacturer, will promptly cause this Agreement to be filed

with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, the Railroad shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

The Railroad agrees that it will permit no liens of any kind to attach to the Cars; and that it will

(a) indemnify and save harmless the Manufacturer from any and all claims, expenses or liabilities of whatsoever kind; and

(b) pay any and all taxes, fines, charges and penalties that may accrue or be assessed or imposed upon the Cars or the Manufacturer because of its ownership or because of the use, operation, management or handling of the Cars by the Railroad during the term of this Agreement. The Railroad's obligations contained in this paragraph shall survive the termination by mutual agreement or otherwise of this Agreement.

The Railroad will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement. Upon the expiration or other termination of this Agreement, the Railroad will surrender and deliver up the Cars in good

order and running condition to the Manufacturer free of all charges at the point designated by the Manufacturer.

Prior to the delivery of each Car to the Railroad, it will be numbered with a car number as hereinbefore indicated, and there shall be plainly, distinctly, permanently, and conspicuously placed and fastened upon each side of each Car a metal plate bearing the following or similar legend, or such legend shall be otherwise plainly, distinctly, permanently, and conspicuously marked on each side of each Car, in either case in letters not less than one inch in height:

"Ownership subject to a Security Agreement filed
with the Interstate Commerce Commission"

The Railroad hereby agrees to indemnify the Manufacturer against any liability, loss, or expense incurred by it as a result of the placing and fastening of the aforementioned plates or markings on said Cars.

In case, during the continuance of this Agreement, such name plate or mark shall at any time be removed, defaced, or destroyed on any Car, the Railroad shall immediately cause the same to be restored or replaced.

All or any of the rights, benefits or advantages of the Manufacturer (including the right to receive payment of the rental provided for herein) or the right to receive the purchase price of

the Cars as provided in the Purchase Agreement, may be assigned by Manufacturer and reassigned by any assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of Manufacturer's guarantees, warranties, indemnities, or any other obligations contained in this Agreement or in the Purchase Agreement relating to the Cars. In the event Manufacturer assigns its right to receive the payments herein and/or under the Purchase Agreement, and the Railroad receives written notice thereof from the Manufacturer, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by the Railroad under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to the Railroad.

In the event of any assignment of the Manufacturer of its rights to receive any payments under this Agreement or under the Purchase Agreement, the rights of such assignee to such payments as may be assigned together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim, or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer in respect to the Cars, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Railroad, its

successors and assigns only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits, or advantages assigned pursuant to this Agreement).

The Railroad agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Railroad of the Cars, as contemplated by this Agreement, shall not relieve the Railroad of its obligations to accept, take, and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement.

PULLMAN INCORPORATED
(Pullman Standard Division)

ATTEST:

William O. Edridge
Assistant Secretary

BY: RCSmyler
Vice President Freight Unit

LOUISVILLE AND NASHVILLE
RAILROAD COMPANY

ATTEST:

David M. Yarnwood
ATTESTING OFFICER

BY: W. I. Johnson
Director of Purchases

STATE OF KENTUCKY)
) SS.
COUNTY OF JEFFERSON)

On this 5th day of January, 1981
before me personally appeared Mr. D. Johnson to me
personally known, who, being by me duly sworn, says that
he is Director of Purchases of the
LOUISVILLE AND NASHVILLE RAILROAD COMPANY, that the seal
affixed to the foregoing instrument is the corporate
seal of said corporation, that said instrument was signed
and sealed on behalf of said corporation by authority of
its Board of Directors and he acknowledged that the
execution of the foregoing instrument was the free act and
deed of said corporation.

Marvin J. Parvey
Notary Public
March 12, 1982

My Commission Expires:

[Seal]